CapLease, Inc.
Form 8-K
September 14, 2011

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 8, 2011

CAPLEASE, INC.
(Exact name of registrant as specified in its charter)

Maryland	1-32039	52-2414533
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1065 Avenue of the Americas, New York, NY	10018
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code: (212) 217-6300

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.01. Completion of Acquisition or Disposition of Assets.

As of September 8, 2011, CapLease, Inc. (the “Company”) has completed the previously announced sale of its March 2005 collateralized debt obligation transaction (“CDO”). The CDO sale, which generated total cash proceeds excluding accrued interest of approximately $30.2 million, primarily included the transfer of the assets and liabilities comprising the CDO transaction to an affiliate of NorthStar Realty Finance Corp. It also included the prepayment of three cross-collateralized first mortgage loans by the borrower.

Item 9.01. Financial Statements and Exhibits.

The following pro forma financial information is filed as part of this report.

(b) Pro forma financial information

The unaudited pro forma financial statements set forth:

- the Pro Forma Condensed Consolidated Balance Sheet (unaudited) as of June 30, 2011;
- the Pro Forma Condensed Consolidated Statement of Operations (unaudited) for the year ended December 31, 2010;
- the Pro Forma Condensed Consolidated Statement of Operations (unaudited) for the six months ended June 30, 2011; and
- the notes to Pro Forma Condensed Consolidated Financial Statements (unaudited).

The unaudited pro forma condensed consolidated balance sheet of the Company as of June 30, 2011 assumes the sale of the Company’s March 2005 collateralized debt obligation (the “CDO”) was consummated on June 30, 2011. The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2010 and the six months ended June 30, 2011 assume the sale of the CDO occurred on January 1, 2010. The pro forma condensed consolidated financial statements do not purport to represent what the Company’s financial position or results of operations would have been if the sale had been consummated as of the dates indicated, nor do they purport to project the Company’s financial position or results of operations at any future date or for any future period. These pro forma condensed consolidated financial statements should be read in conjunction with the Company’s 2010 historical financial statements as included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2010, and its Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011.

The pro forma financial statements are based upon assumptions contained in the notes thereto and should be read in conjunction with such notes.

CapLease, Inc. and Subsidiaries
Pro Forma Condensed Consolidated Balance Sheet
June 30, 2011
(Unaudited, in thousands)

	CapLease, Inc. Historical	Pro Forma Adjustments		CapLease, Inc. Pro Forma
Assets				
Real estate investments, net	$ 1,408,133	$ –		$ 1,408,133
Loans held for investment, net	187,047	(151,317)	a	35,730
Commercial mortgage-backed securities	102,369	(41,187)	a	61,182
Cash and cash equivalents	67,452	29,791	a	97,243
Other assets	109,997	(32,780)	a	77,217
Total Assets	$ 1,874,998	$ (195,493)		$ 1,679,505
Liabilities and Equity				
Mortgages on real estate investments	$ 954,170	$ 31,331	a	$ 985,501
Collateralized debt obligations	232,511	(232,511)	a	–
Credit agreement	80,388	(5,471)	a	74,917
Secured term loan	94,428			94,428
Convertible senior notes	34,217			34,217
Other long-term debt	30,930			30,930
Total Debt Obligations	1,426,644	(206,651)		1,219,993
Intangible liabilities on real estate investments	36,312			36,312
Accounts payable and other liabilities	21,118	(1,867)	a	19,251
Dividends and distributions payable	6,061			6,061
Total Liabilities	1,490,135	(208,518)		1,281,617
Commitments and contingencies				
Stockholders' equity:				
Preferred stock, $0.01 par value, 100,000,000 shares authorized, Series A cumulative redeemable preferred, liquidation preference $25.00 per share, 3,204,900 shares issued and outstanding	73,880			73,880
Common stock, $0.01 par value, 500,000,000 shares authorized, 68,055,665 shares issued and outstanding	682			682
Additional paid in capital	335,685	(2,371)	a	333,314
Accumulated other comprehensive loss	(26,512)	15,396	a	(11,116)
Total Stockholders' Equity	383,735	13,025		396,760
Non-controlling interest in consolidated subsidiaries	1,128			1,128
Total Equity	384,863	13,025		397,888
Total Liabilities and Equity	$ 1,874,998	$ (195,493)		$ 1,679,505

CapLease, Inc. and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations
Year Ended December 31, 2010
(Unaudited, in thousands, except per share data)

	CapLease, Inc. Historical	Pro Forma Adjustments	
Revenues:			
Rental revenue	$125,662	$–	
Interest income from loans and securities	27,620	(17,185)	b
Tenant reimbursements	12,159		
Other revenue	974		
Total revenues	166,415	(17,185)	
Expenses:			
Interest expense	84,850	(12,015)	b
Property expenses	24,715		
Loss on investments	7,949		
General and administrative expenses	10,659		
General and administrative expenses-stock based compensation	2,541		
Depreciation and amortization expense on real property	48,409		
Other expenses	268	(181	

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addition, given the significant investments that we have made in the past in property, pla

Moreover, under the credit agreement governing our senior secured credit facilities and t

Because not all companies use identical calculations, our presentation of EBITDA from

In calculating Adjusted EBITDA, we add back certain non-cash, non-recurring, and othe

In applying Adjusted EBITDA to determine our ability to engage in the activities describ

Table of Contents

In calculating Adjusted EBITDA, on a pro forma basis, we give pro forma effect to the A

As exchange rates are an important factor in understanding period-to-period comparison

A reconciliation of earnings/(loss) from continuing operations, the most directly compar

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(3)

(4)

Table of Contents

A reconciliation of earnings from continuing operations, the most directly comparable U

We define Cook Pharmica s EBITDA as net income before interest expense, net, deprec

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comparable to Catalent s measure of EBITDA from continuing operations and Adjusted

(dollars in millions)
Net income
Interest expense, net
Depreciation and amortization
Income tax (benefit)/provision
EBITDA
Adjustments[1]
Adjusted EBITDA

(1)

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Investing in our common stock involves risks. You should carefully consider the risks and

Risks Related to the Acquisition

The Acquisition Agreement may be terminated in accordance with its terms, or the Ac

We intend to use the net proceeds from this offering to finance a portion of the purchase

The Acquisition Agreement contains conditions that must be fulfilled before a closing m

We intend to finance a portion of the purchase price for the Acquisition with the net proc

We may be unable to obtain the regulatory approvals required to complete the Acquisi

The consummation of the Acquisition is subject to review and approval under the HSR A

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We expect to incur additional indebtedness to finance the Acquisition and may not be a

If we successfully close the Debt Offering or obtain the proceeds of the Bridge Facility i

Our high degree of leverage could have important consequences for us, including:

In addition, upon consummation of the Acquisition, we will be obligated to pay the Defe

Investors will not have any right to require us to repurchase, redeem, or repay any sha

This offering is not contingent on completion of the Acquisition. Investors will not have

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We may not realize the growth opportunities and operational synergies that are anticip

The benefits that are expected to result from the Acquisition will depend, in part, on our

The pendency of the Acquisition could adversely affect our business, financial results,

The announcement and pendency of the Acquisition could cause disruptions and create u

Our actual financial position and results of operations may differ materially from the

The unaudited pro forma financial data included in this prospectus supplement is present

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Risks Related to this Offering and Ownership of Our Common Stock

Our stock price may change significantly, you may not be able to resell shares of our c

The trading price of our common stock has been, and continues to be, volatile. Since sha

Broad market and industry fluctuations may adversely affect the market price of our com

Following periods of market volatility, stockholders have been known to institute securit

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Because we have no plan to pay cash dividends on our common stock for the foreseeal

We currently intend to retain future earnings, if any, for future operations, expansion, an

If securities analysts do not publish research or reports about our business or if they d

The trading market for our common stock has been affected in part by the research and r

Future sales, or the perception of future sales, of common stock by us in the public ma

The sale of shares of our common stock in the public market, or the perception that such

In addition, 1,543,653 shares of common stock may become eligible for sale upon exerci

In connection with this offering, we, our executive officers, and directors will sign lock-u

The market price of shares of our common stock could drop significantly if the holders c

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us to raise additional funds through future offerings of shares of our common stock or ot

Anti-takeover provisions in our organizational documents could delay or prevent a cha

Certain provisions of our amended and restated certificate of incorporation and bylaws n

These provisions provide for, among other things:

These anti-takeover provisions could make it more difficult for a third party to acquire u

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This prospectus supplement contains or incorporates by reference forward-looking stater

Some of the factors that may cause actual results, developments and business decisions t

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We caution you that the risks, uncertainties, and other factors referenced above may not

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We estimate the net proceeds to us from the offering to be approximately $ millio

Each $1.00 increase (decrease) in the assumed public offering price of $40.76 per share,

Completion of this offering is not contingent on completion of the Debt Offering or the A

We intend to use the net proceeds from this offering together with the net proceeds of th

The following table outlines the sources and uses of funds for the portion of the consider

(dollars in millions)	
Cash and cash equivalents	
Common stock offered hereby[(1)]	
New notes offered in the Debt Offering[(2)]	
Total sources	

(1)

(2)

(3)

(4)

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The following table sets forth our cash and cash equivalents and our capitalization as of .

You should read this table in conjunction with Management s Discussion and Analysi

(dollars in millions, except per share data)	
Cash and cash equivalents	
Debt (including current portion):	
Senior secured credit facilities:	
Term loans(1)	
Revolving credit facility(2)	
Existing notes(3)	
Debt Offering(4)	
Deferred purchase consideration(5)	
Capital leases	
Other obligations(6)	
Total debt	
Stockholders equity:	
Common stock $0.01 par value; 1.0 billion shares authorized, actual, as adjusted, and pro outstanding, actual; 131,179,867 shares issued and outstanding, as adjusted and pro form	
Preferred stock $0.01 par value; 100 million authorized, actual, adjusted, and pro forma; and pro forma	
Additional paid-in capital	
Accumulated deficit	
Accumulated other comprehensive loss	
Total shareholders equity	
Total capitalization	

(1)

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(2)

(3)

(4)

(5)

(6)

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On September 18, 2017, we entered into the Acquisition Agreement with the Seller and C

The closing of the Acquisition is subject to customary closing conditions, including the e

We expect to obtain the funds necessary to pay the portion of the Acquisition considerati

Our fiscal year ends on June 30, while Cook Pharmica s fiscal year ends on December 3

The unaudited pro forma condensed combined balance sheet combines our audited year e

The following unaudited pro forma condensed combined statement of operations gives e

The historical financial data is adjusted in the unaudited pro forma condensed combined

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The unaudited pro forma adjustments are based upon available information and certain a

In addition, in connection with our entry into the Acquisition Agreement, we and the Sel

The unaudited pro forma condensed combined statement of operations is not necessarily

The unaudited pro forma condensed combined financial data should be read in conjuncti

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ASSETS
Current assets:
Cash and cash equivalents
Trade receivables, net
Inventories
Prepaid expenses and other
Total current assets
Property, plant, and equipment, net
Other assets:
Goodwill
Other intangibles, net
Deferred income taxes
Other
Total assets
LIABILITIES AND SHAREHOLDERS EQUITY
Current liabilities:
Current portion of long-term obligations and other short-term borrowings
Accounts payable
Other accrued liabilities
Total current liabilities
Long-term obligations, less current portion
Pension liability
Deferred income taxes
Other liabilities
Commitment and contingencies
Shareholders equity/(deficit):
Common stock $0.01 par value; 1.0 billion shares authorized, actual, as adjusted, and pro outstanding, actual; 131,179,867 shares issued and outstanding, as adjusted and pro form
Preferred stock $0.01 par value; 100 million authorized, actual, adjusted, and pro forma; and pro forma
Additional paid in capital
Accumulated deficit
Net parent investment
Accumulated other comprehensive income/(loss)

Total shareholders equity

Total liabilities and shareholders equity

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Net revenue
Cost of sales
Gross margin
Selling, general and administrative expenses
Impairment charges and (gain)/loss on sale of assets
Research and development
Corporate Allocation
Restructuring and other
Operating earnings
Interest expense, net
Other (income)/expense, net
Earnings from continuing operations before income taxes
Income tax expense/(benefit)
Net earnings
Earnings per share attributable to Catalent
Basic
Net earnings
Diluted
Net earnings

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Note 1 - Basis of Presentation

As Cook Pharmica s fiscal year of December 31 differs from our fiscal year of June 30,

(dollars in millions)
Net revenues - external
Revenues - affiliates
Total revenues
Cost of revenues
Gross profit
Sales, marketing, and administrative
Research and development
Corporate allocation
Other expense, net
Income before income taxes
Income tax expense / (benefit)
Net income

Note 2 - Preliminary Purchase Price Allocation

As discussed above, the aggregate purchase price for the Acquisition is $950.0 million o

The Acquisition will be accounted for as a business combination in accordance with the

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Preliminary Purchase Price Allocation

(dollars in millions)	
Preliminary purchase price:	
Cash paid at closing	
Fair value of Deferred Purchase Consideration(*)	
Total estimated purchase price	
Preliminary purchase price allocation	
Property, plant and equipment	
Customer relationships	
Other net assets	
Goodwill	
Total	

(*)

Note 3 - Conforming Accounting Policies

Following the Acquisition, we will conduct a review of Cook Pharmica s accounting po

Note 4 - Pro Forma Adjustments

The adjustments described below are keyed to the footnotes in the Unaudited Pro Forma

Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

(a)

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(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

(j)

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(k)

Adjustments to Unaudited Pro Forma Condensed Combined Statement of Operations

(l)

(m)

(n)

(o)

(p)

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(q)

(r)

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Our common stock began trading publicly on the NYSE under the symbol CTLT as o

Fiscal Year Ended June 30, 2016:	
First Quarter ended September 30, 2015	
Second Quarter ended December 31, 2015	
Third Quarter ended March 31, 2016	
Fourth Quarter ended June 30, 2016	
Fiscal Year Ended June 30, 2017:	
First Quarter ended September 30, 2016	
Second Quarter ended December 31, 2016	
Third Quarter ended March 31, 2017	
Fourth Quarter ended June 30, 2017	
Fiscal Year Ending June 30, 2018:	
First Quarter ending September 30, 2017 (through September 22, 2017)	

The closing sale price of our common stock, as reported by the NYSE, on September 22,

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The following table sets forth information regarding the beneficial ownership of shares c

The amounts and percentages of shares beneficially owned are reported on the basis of S

Except as otherwise indicated in the footnotes below, each of the beneficial owners has,

Name of Beneficial Owner
T. Rowe Price Associates, Inc.[3]
BlackRock, Inc.[4]
The Vanguard Group[5]
FMR LLC[6]
Janus Capital Management LLC[7]
John Chiminski[8]
Matthew Walsh[8]
William Downie[8]
Steven Fasman[8]
Barry Littlejohns[8]
Sharon Johnson[8]
Madhavan Balachandran
J. Martin Carroll
Rolf Classon
Gregory T. Lucier
Donald E. Morel, Jr.
James Quella[8]
Uwe Röhrhoff
Jack Stahl
Directors and executive officers as a group (19 persons)[9]

*

(1)

(2)

(3)

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(4)

(5)

(6)

(7)

(8)

(9)

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The following is a summary of the material U.S. federal income and estate tax consequen

A non-U.S. holder means a beneficial owner that is not for U.S. federal income tax pu

This summary is based upon provisions of the Internal Revenue Code of 1986, as amend

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes

If you are considering the purchase of our common stock, you should consult your own t

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Dividends

Distributions of cash or property that we pay on our common stock (if any) will be treate

A non-U.S. holder of our common stock who wishes to claim the benefit of an applicabl

The certifications described above must be provided prior to the payment of dividends a

The foregoing discussion is subject to the discussions below under Information Reporti

Gain on Disposition of Common Stock

Subject to the discussions of backup withholding and additional withholding requiremen

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A non-U.S. holder described in the first bullet point immediately above generally will be

An individual non-U.S. holder described in the second bullet point immediately above g

We believe we are not and do not anticipate becoming a United States real property ho

The foregoing discussion is subject to the discussions below under Information Reporti

Federal Estate Tax

Common stock owned (or treated as owned) by an individual non-U.S. holder at the time

Information Reporting and Backup Withholding

We must report annually to the IRS and to each non-U.S. holder the amount of dividends

A non-U.S. holder will be subject to backup withholding (currently at a rate of 28%) for

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not have actual knowledge or reason to know that such holder is a United States person a

Information reporting and, depending on the circumstances, backup withholding will app

Backup withholding is not an additional tax. Any amounts withheld under the backup wi

Non-U.S. holders should consult their own tax advisors regarding the application of info

Additional Withholding Requirements

The Foreign Account Tax Compliance Act and related Treasury guidance (commonly re

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Under the terms and subject to the conditions in an underwriting agreement dated the dat

Name
Morgan Stanley & Co. LLC
J.P. Morgan Securities LLC
RBC Capital Markets, LLC
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Total

The underwriters and the representatives are collectively referred to as the underwriters

The underwriters initially propose to offer part of the shares of common stock directly to

We have granted to the underwriters an option, exercisable for 30 days from the date of t

The following table shows the per share and total public offering price, underwriting dis

Public offering price
Underwriting discounts and commissions
Proceeds, before expenses, to us

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The estimated offering expenses payable by us, exclusive of the underwriting discounts a

Our common stock is listed on the NYSE under the symbol CTLT .

We and all directors and executive officers have agreed that, without the prior written co

whether any such transaction described above is to be settled by delivery of common sto

The restrictions described in the immediately preceding paragraph to do not apply to:

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Morgan Stanley & Co. LLC, J.P. Morgan Securities LLC and RBC Capital Markets, LL

In order to facilitate the offering of the common stock, the underwriters may engage in tr

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or maintain the market price of the common stock above independent market levels or pr

In connection with the offering of the shares of our common stock, Morgan Stanley & C

We and the underwriters have agreed to indemnify each other against certain liabilities, i

A prospectus supplement in electronic format may be made available on websites mainta

The underwriters and their respective affiliates are full service financial institutions enga

Certain of the underwriters or their respective affiliates are agents and/or lenders under c

In addition, certain of the underwriters or their respective affiliates have provided the Br

In addition, in the ordinary course of their various business activities, the underwriters an

Selling Restrictions

Canada

The shares of our common stock may be sold only to purchasers purchasing, or deemed

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subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined i

Securities legislation in certain provinces or territories of Canada may provide a purchas

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-1

European Economic Area

This prospectus has been prepared on the basis that any offer of shares of our common st

In relation to each Relevant Member State, each of the underwriters has represented and

provided that no such offer of shares of our common stock shall result in a requirement f

Each person in a Relevant Member State who receives any communication in respect of,

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For the purposes of this provision, the expression an offer to the public in relation to a

United Kingdom

Each underwriter has represented and agreed that:

This prospectus is for distribution only to persons who (i) have professional experience i

Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circum

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to persons outside Hong Kong or only to professional investors within the meaning of

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of S

Where the shares are subscribed or purchased under Section 275 by a relevant person wh

Japan

The securities have not been and will not be registered under the Financial Instruments a

Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX S

Neither this document nor any other offering or marketing material relating to the offerin

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Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Ru

Australia

No placement document, prospectus, product disclosure statement or other disclosure do

Any offer in Australia of the shares may only be made to persons (the Exempt Investor

The shares applied for by Exempt Investors in Australia must not be offered for sale in A

This prospectus contains general information only and does not take account of the inves

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The validity of the shares of common stock will be passed upon for us by Fried, Frank, H

Ernst & Young LLP, independent registered public accounting firm, has audited our con

Ernst & Young LLP, independent auditors, has audited the financial statements of Cook

This prospectus supplement and the accompanying prospectus are part of the registration

The SEC s rules allow us to incorporate by reference information into this prospectus

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Any statement made in this prospectus supplement or in the accompanying prospectus o

You can obtain any of the filings incorporated by reference into this prospectus supplem

Catalent, Inc.

14 Schoolhouse Road

Somerset, New Jersey 08873

Attn: Corporate Secretary

Tel.: (732) 537-6200

Email: CorpSec@catalent.com

Our reports and documents incorporated by reference into this prospectus supplement or

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Report of Independent Auditors
Balance Sheet
Statement of Income
Statement of Parent Company Net Investment in Pharmica
Statement of Cash Flows
Notes to Financial Statements

Unaudited Condensed Balance Sheet
Unaudited Condensed Statements of Income
Unaudited Condensed Statement of Parent Company Net Investment in Pharmica
Unaudited Condensed Statements of Cash Flows
Notes to Unaudited Condensed Financial Statements

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The Board of Directors

Cook Group Incorporated

We have audited the accompanying financial statements of Cook Pharmica LLC (a whol

Management s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial sta

Auditor s Responsibility

Our responsibility is to express an opinion on these financial statements based on our au

An audit involves performing procedures to obtain audit evidence about the amounts and

We believe that the audit evidence we have obtained is sufficient and appropriate to prov

Opinion

In our opinion, the financial statements referred to above present fairly, in all material re

July 31, 2017

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Assets	
Current assets:	
Cash and cash equivalents	
Accounts receivable, net of allowances of $ 1,225,629	
Inventories	
Prepaid expenses and other	
Total current assets	
Property and equipment, net	
Total assets	
Liabilities and invested equity	
Current liabilities:	
Accounts payable	
Accrued liabilities:	
Employee compensation	
Business taxes	
Sundry	
Deferred revenue	
Total current liabilities	
Deferred tax liability	
Deferred compensation	
Total liabilities	
Commitments and contingencies	
Invested equity:	
Net parent investment	
Retained earnings	
Total invested equity	
Total liabilities and invested equity	

See accompanying notes.

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Net revenues external
Revenues affiliates
Total revenues
Cost of revenues
Gross profit
Sales, marketing, and administrative
Research and development
Corporate allocation
Other expense, net
Income before income taxes
Income tax expense
Net income

See accompanying notes.

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Balance at January 1, 2016	
Net income	
Net transactions with Cook Group	
Balance at December 31, 2016	

See accompanying notes.

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Operating activities	
Net income	
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	
Deferred income taxes	
Other	
Changes in operating assets and liabilities:	
Accounts receivable	
Inventories	
Prepaid expenses and other	
Accounts payable	
Deferred revenue	
Deferred compensation	
Accrued liabilities and sundry	
Net cash provided by operating activities	
Investing activities	
Additions of property, plant, and equipment	
Net cash used in investing activities	
Financing activities	
Net transactions with Parent Company	
Net cash used in financing activities	
Net change in cash and cash equivalents	
Cash and cash equivalents, beginning of year	
Cash and cash equivalents, end of year	

See accompanying notes.

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1. Business and Basis of Presentation

Cook Pharmica LLC (Pharmica or the Company) is a wholly owned subsidiary of Cook

The accompanying financial statements have been prepared on a stand-alone basis and a

The financial statements include the recognition of certain assets and liabilities that have

Management believes the assumptions underlying the stand-alone financial statements, i

Cook Group uses a centralized approach to cash management. Accordingly, cash and cas

The income tax provision on the statement of income has been calculated as if Pharmica

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2. Significant Accounting Policies

Accounting Estimates

The preparation of the financial statements in conformity with generally accepted accoun

Revenue Recognition

In accordance with Accounting Standards Codification Topic (ASC) 605, *Revenue Reco*

The Company s service arrangements contain multiple elements and are accounted for i

The Company recognizes revenue when the service for each deliverable has been comple

In the case of other services such as process validation, quality control, studies, and deve

Deferred revenue represents the amount of payment the Company has received in advan

Cash and Cash Equivalents

Cash and cash equivalents comprise highly liquid investments with original maturities o

Accounts Receivable

Pharmica performs periodic credit evaluations of customers financial condition and ge

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2. Significant Accounting Policies (continued)

Concentration of Risk

Pharmica had certain customers that individually accounted for 10% or more of the Com

For the year ended December 31, 2016, three customers accounted for 43% of external n

Financial Instruments

ASC 820, *Fair Value Measurement*, establishes a three-level valuation hierarchy for fair

Level 1 Valuation is based on quoted prices for identical assets or liabilities in active ma

Level 2 Valuation is based on quoted prices for similar assets or liabilities in active mar

Level 3 Valuation is based upon other unobservable inputs that are significant to the fai

The fair values of cash and cash equivalents, accounts receivable, and accounts payable a

Inventories

Inventories are stated at the lower of first-in, first-out cost or market. Inventories at Dece

Raw materials	
Less allowance	

Property and Equipment

Land, buildings, equipment, and construction-in-progress are stated at cost. Expenditures

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2. Significant Accounting Policies (continued)

Property and equipment at December 31 consisted of the following:

Land
Buildings and improvements
Plant equipment
Office furniture and equipment
Automobiles
Construction-in-progress
Less accumulated depreciation

The Company has various purchase commitments for raw materials, supplies and proper

Pharmica identifies and records impairment losses on long-lived assets whenever events

Research and Development

Research and development costs are expensed as incurred. The Company performs resea

Advertising Costs

Pharmica expenses all advertising costs as incurred. Advertising costs were $265,263 fo

Shipping and Handling Costs

Pharmica reflects freight costs associated with shipping products to customers as a comp

Net Parent Investment

Net parent investment represents Cook Group s initial investment in Pharmica, subsequ

Table of Contents

2. Significant Accounting Policies (continued)

Group and includes amounts due from or owed to Cook Group. Other transactions affect

Income Taxes

Income taxes are presented on a separate return basis as if Pharmica were a stand-alone t

Pharmica recognizes uncertain tax positions when it is more likely than not that the tax p

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Star

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements* (

In July 2015, the FASB issued ASU 2015-11, *Inventory (Topic 330): Simplifying the Me*

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2. Significant Accounting Policies (continued)

using last-in, first-out or the retail inventory method. Under the new standard, inventory

In November 2015, the FASB issued ASU 2015-17, *Income Taxes (Topic 740): Balance*

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments Overall (Subto*

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The amendments

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments Credit Losses (To*

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230):*

Table of Contents

2. Significant Accounting Policies (continued)

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entit*

3. Income Taxes

During the period presented in the financial statements, the Company, as a disregarded e

Current:	
Federal	
State	
Total current expense	
Deferred:	
Federal	
State	
Total deferred tax expense	
Total income tax expense	

The following is a reconciliation of the effective income tax rate for the year ended Dece

U.S. federal statutory income tax rate	
State taxes, net of federal benefit	
Valuation allowance release	
Other	
Effective tax rate	

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3. Income Taxes (continued)

Deferred tax assets and liabilities reflect the future tax consequences of events that have

Deferred tax assets:
Inventory cost and related reserves
Net operating loss carryforwards
State tax credit carryforwards
Accrued expenses and allowances
Compensation and employee benefits
Intangibles
Deferred revenue
Valuation allowance
Total deferred tax assets
Deferred tax liabilities:
Property and equipment
Other, net
Total deferred tax liabilities
Deferred tax liabilities, net

As of December 31, 2016, Pharmica had federal and state net operating loss carryforwar

The Company considers all available evidence, both positive and negative when assessin

Pharmica is included as part of the consolidated tax return of Cook Group. Cook Group i

The Company recognizes both accrued interest and penalties related to unrecognized tax

Table of Contents

4. Related-Party Transactions

All significant intercompany transactions between Pharmica and Cook Group have been

Pharmica utilizes centralized functions of Cook Group to support its operations, and in r

Nevertheless, the financial statements may not include all of the actual expenses that wo

Actual costs that would have been incurred if Pharmica had been a stand-alone company

Pharmica provides contract manufacturing services to a Cook Group affiliate. The Comp

Pharmica licenses intellectual property from a Cook Group affiliate and pays a royalty fe

Pharmica performs research and development on behalf of a Cook Group affiliate and re

Pharmica leases space within its warehouse to Cook Group affiliates. The Company reco

Pharmica utilizes an employee in France and is charged by a Cook Group affiliate for th

Table of Contents

5. Leases

Pharmica leases vehicles from a Cook Group affiliate. Leases expire at varying dates thr

2017	
2018	
2019	
2020	
2021	
Thereafter	
Total minimum lease payments	

Rent expense amounted to $76,484 in 2016.

6. Commitments and Contingencies

Pharmica is a party to certain claims, legal actions, and complaints related to employmen

There can be no assurance that Pharmica will prevail in any particular case. An adverse c

Management believes that Pharmica s risk-management practices, including insurance c

7. Employee Benefit Plans

Pharmica participates in a defined contribution, profit-sharing plan sponsored by Cook C

Pharmica also participates in a non-qualified, supplemental retirement benefit plan spons

8. Subsequent Events

Pharmica evaluated subsequent events for recognition or disclosure through July 31, 201

[Table of Contents](#)

Assets
Current assets:
Cash and cash equivalents
Accounts receivable, net of allowances of $933,385 and $1,225,629, respectively
Inventories
Prepaid expenses and other
Total current assets
Property and equipment, net
Deferred tax asset
Total assets
Liabilities and invested equity
Current liabilities:
Accounts payable
Accrued liabilities:
Employee compensation
Business taxes
Sundry
Deferred revenue
Total current liabilities
Deferred tax liability
Deferred compensation
Total liabilities
Commitments and contingencies
Invested equity:
Net parent investment
Retained earnings
Total invested equity
Total liabilities and invested equity

See accompanying notes.

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Net revenues external	
Revenues affiliates	
Total revenues	
Cost of revenues	
Gross profit	
Sales, marketing, and administrative	
Research and development	
Corporate allocation	
Other expense, net	
Income before income taxes	
Income tax benefit	
Net income	

See accompanying notes.

Table of Contents

Balance at December 31, 2016	
Net income	
Net transactions with Cook Group	
Balance at June 30, 2017	

See accompanying notes.

Table of Contents

Operating activities	
Net income	
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	
Deferred income taxes	
Other	
Changes in operating assets and liabilities:	
Accounts receivable	
Inventories	
Prepaid expenses and other	
Accounts payable	
Deferred revenue	
Deferred compensation	
Accrued liabilities and sundry	
Net cash provided by operating activities	
Investing activities	
Additions of property and equipment	
Net cash used in investing activities	
Financing activities	
Net transactions with Parent Company	
Net cash used in financing activities	
Net change in cash and cash equivalents	
Cash and cash equivalents, beginning of year	
Cash and cash equivalents, end of year	

See accompanying notes.

Table of Contents

1. Business and Basis of Presentation

These unaudited Condensed Financial Statements of Cook Pharmica LLC (Pharmica

The Company is a wholly owned subsidiary of Cook Group Incorporated (Cook Group

These unaudited Condensed Financial Statements reflect the historical unaudited Conden

The unaudited Condensed Financial Statements include the recognition of certain assets

Management believes the assumptions underlying the stand-alone unaudited Condensed

Table of Contents

1. Business and Basis of Presentation (continued)

company would depend on multiple factors, including organizational structure and strate

Cook Group uses a centralized approach to cash management. Accordingly, cash and cas

Cook Group s revolving credit facility is guaranteed by the U.S. subsidiaries of Cook G

Debt obligations of Cook Group have not been included in the unaudited Condensed Fin

2. Summary of Significant Accounting Policies

Revenue Recognition

In accordance with Accounting Standards Codification (ASC) Topic 605, *Revenue Re*

The Company s service arrangements contain multiple elements and are accounted for i

The Company recognizes revenue when the service for each deliverable has been compl

In the case of other services, such as process validation, quality control, studies, and dev

Deferred revenue represents the amount of payment the Company has received in advan

Table of Contents

2. Summary of Significant Accounting Policies (continued)

Concentration of Risk

Pharmica had certain customers that individually accounted for 10% or more of the Com

For the six month periods ended June 30, 2017 and June 30, 2016, three customers accou

Financial Instruments

ASC 820, *Fair Value Measurement,* establishes a three-level valuation hierarchy for fair

Level 1 Valuation is based on quoted prices for identical assets or liabilities in active m

Level 2 Valuation is based on quoted prices for similar assets or liabilities in active mar

Level 3 Valuation is based upon other unobservable inputs that are significant to the fai

The fair values of cash and cash equivalents, accounts receivable, and accounts payable

Inventories

Inventories are stated at the lower of first-in, first-out cost or market. Inventories consist

Raw materials	
Less allowance	

Property and Equipment

Land, buildings, equipment, and construction-in-progress are stated at cost. Expenditures

Table of Contents

2. Summary of Significant Accounting Policies (continued)

Property and equipment consisted of the following:

Land
Buildings and improvements
Plant equipment
Office furniture and equipment
Automobiles
Construction-in-progress
Less accumulated depreciation

The Company has various purchase commitments for raw materials, supplies and proper

Pharmica identifies and records impairment losses on long-lived assets whenever events

Net Parent Investment

Net parent investment represents Cook Group s initial investment in Pharmica, subsequ

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Sta

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2. Summary of Significant Accounting Policies (continued)

as) the entity satisfies a performance obligation. An entity can apply the new revenue sta

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements*

In July 2015, the FASB issued ASU 2015-11, *Inventory (Topic 330): Simplifying the Me*

In November 2015, the FASB issued ASU 2015-17, *Income Taxes (Topic 740): Balance*

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The amendments

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments Credit Losses (To*

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flows (Topic 230):*

Table of Contents

2. Summary of Significant Accounting Policies (continued)

principle should be applied when cash receipts and cash payments have aspects of more

In October 2016, the FASB issued ASU 2016-16, *Income Taxes (Topic 740): Intra-Entit*

3. Income Taxes

The income taxes have been prepared on a separate return basis as if the Company was a

The Company records income tax expense (benefit) during interim periods based on its b

The effective tax rate for 2017 of (769.6%) was favorably impacted by (804.5%) related

The effective tax rate for 2016 of (1.6%) was favorably impacted by (34.2%) related to a

Pharmica is included as part of the consolidated tax return of Cook Group. Cook Group i

4. Related-Party Transactions

All significant intercompany transactions between Pharmica and Cook Group have been

Table of Contents

4. Related-Party Transactions (continued)

but not limited to, receipt of payment from customers, payment of trade payables and ac

Pharmica utilizes centralized functions of Cook Group to support its operations and, in r

Nevertheless, the unaudited Condensed Financial Statements may not include all of the a

Actual costs that would have been incurred if Pharmica had been a stand-alone company

Pharmica provides contract manufacturing services to a Cook Group affiliate. The Comp

Pharmica licenses intellectual property from a Cook Group affiliate and pays a royalty fe

Pharmica performs research and development on behalf of a Cook Group affiliate and re

Pharmica leases space within its warehouse to Cook Group affiliates. The Company reco

Pharmica utilizes an employee in France and is charged by a Cook Group affiliate for th

Table of Contents

5. Commitments and Contingencies

Pharmica is a party to certain claims, legal actions, and complaints related to employmer

There can be no assurance that Pharmica will prevail in any particular case. An adverse c

Management believes that Pharmica s risk-management practices, including insurance c

6. Subsequent Events

Pharmica evaluated subsequent events for recognition or disclosure through September 8

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Prospectus

We and any selling stockholder may offer and sell from time to time shares of our comm

We will determine when we sell shares of our common stock, which may be sold on a co

Each time that we or any selling stockholders sell shares of our common stock using this

You should carefully read this prospectus and any applicable prospectus supplement and

Our common stock is listed on the New York Stock Exchange, or NYSE, under the symb

Investing in our common stock involves risks. You should carefully consider the risk f

Neither the Securities and Exchange Commission nor any other regulatory body ha

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Summary
Risk Factors
Forward-Looking Statements
Trademarks and Service Marks
Use of Proceeds
Selling Stockholders

Description of Capital Stock
Plan of Distribution
Legal Matters
Experts
Where You Can Find More Information
Information Incorporated by Reference

This prospectus is part of a registration statement on Form S-3 that we filed with the Sec

The rules of the SEC allow us to incorporate by reference information into this prospectu

THIS PROSPECTUS MAY NOT BE USED TO SELL ANY SHARES OF OUR CO

Neither the delivery of this prospectus or any applicable prospectus supplement nor any

You should rely only on the information contained in or incorporated by reference in this

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you must not rely on that information. We and any selling stockholders are not making a

Except where the context requires otherwise, references in this prospectus to Catalent,

We refer in this prospectus to (i) investment funds associated with or designated by The

Table of Contents

This summary highlights information contained elsewhere or incorporated by reference

We are the leading global provider of advanced delivery technologies and development s

For a description of our business, financial condition, results of operations and other imp

Catalent, Inc. is a Delaware corporation. Our principal executive offices are located at 14

Table of Contents

Investing in our common stock involves risks. You should carefully consider the risks ar

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This prospectus (including any prospectus supplement and the information incorporated

ADVASEPT®, GPEx®, OptiForm®, Liqui-Gels®, VegiCaps®, Zydis® and Zydis® Nano

Solely for convenience, the trademarks, service marks and trade names referred to in this

Table of Contents

In the case of a sale of shares of our common stock by us, the use of proceeds will be spe

Table of Contents

Information about selling stockholders, where applicable, will be set forth in a prospectu

Table of Contents

The following is a description of the material terms of, and is qualified in its entirety by,

Our purpose is to engage in any lawful act or activity for which corporations may now o

Common Stock

Holders of our common stock are entitled to one vote for each share held of record on al

Preferred Stock

Our amended and restated certificate of incorporation authorizes our board of directors t

Table of Contents

We could issue a series of preferred stock that could, depending on the terms of the serie

Dividends

The DGCL permits a corporation to declare and pay dividends out of surplus or, if the

Declaration and payment of any dividend will be subject to the discretion of our board o

We have no current plans to pay dividends on our common stock. Any decision to decla

Annual Stockholder Meetings

Our amended and restated bylaws provide that annual stockholder meetings will be held

Anti-Takeover Effects of Our Amended and Restated Certificate of Incorporation a

Our amended and restated certificate of incorporation, amended and restated bylaws and

Table of Contents

However, these provisions may have an anti-takeover effect and may delay, deter or prev

Authorized but Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized share

Our board of directors may generally issue preferred shares on terms calculated to discou

One of the effects of the existence of unissued and unreserved common stock or preferre

Classified Board of Directors

Our amended and restated certificate of incorporation provides that our board of director

Business Combinations

We have opted out of Section 203 of the DGCL; however, our amended and restated cer

Table of Contents

Generally, a business combination includes a merger, asset or stock sale or other trans

Under certain circumstances, this provision will make it more difficult for a person who

Our amended and restated certificate of incorporation provides that Blackstone and its af

Removal of Directors; Vacancies

Under the DGCL, unless otherwise provided in our amended and restated certificate of i

No Cumulative Voting

Under Delaware law, the right to vote cumulatively does not exist unless the certificate o

Special Stockholder Meetings

Our amended and restated certificate of incorporation provides that special meetings of o

Table of Contents

directors; provided, however, at any time when Blackstone and its affiliates beneficially

Director Nominations and Stockholder Proposals

Our amended and restated bylaws establish advance notice procedures with respect to sto

Stockholder Action by Written Consent

Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or sp

Supermajority Provisions

Our amended and restated certificate of incorporation and amended and restated bylaws

Table of Contents

The DGCL provides generally that the affirmative vote of a majority of the outstanding s

Our amended and restated certificate of incorporation provides that at any time when Bla

The combination of the classification of our board of directors, the lack of cumulative vo

These provisions may have the effect of deterring hostile takeovers or delaying or preven

Since March 9, 2015, Blackstone and its affiliates have beneficially owned, in the aggreg

Dissenters   Rights of Appraisal and Payment

Under the DGCL, with certain exceptions, our stockholders will have appraisal rights in

Table of Contents

Stockholders   Derivative Actions

Under the DGCL, any of our stockholders may bring an action in our name to procure a

Exclusive Forum

Our amended and restated certificate of incorporation provides that unless we consent to

Conflicts of Interest

Delaware law permits corporations to adopt provisions renouncing any interest or expect

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors

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personal liability of directors for monetary damages for any breach of fiduciary duty as a

Our amended and restated bylaws provide that we must indemnify and advance expenses

The limitation of liability, advancement and indemnification provisions in our amended

We currently are party to indemnification agreements with certain of our directors and o

There is currently no pending material litigation or proceeding involving any of our dire

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company

Listing

Our common stock is listed on the New York Stock Exchange under the symbol CTLT

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We and/or the selling stockholders, if applicable, may sell the shares of our common sto

Each time that we sell shares of our common stock covered by this prospectus, we will p

Any offering price and any discounts, commissions, concessions or agency fees allowed

We and/or the selling stockholders, if applicable, may distribute the shares from time to

Underwriters, dealers or any other third parties described above may offer and sell the of

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We and/or the selling stockholders, if applicable, may sell the shares through agents fron

Offered shares may also be offered and sold, if so indicated in the applicable prospectus

Underwriters or agents may purchase and sell the shares in the open market. These trans

Over-allotment involves sales in excess of the offering size, which creates a short positic

Our common stock is listed on the New York Stock Exchange under the symbol CTLT

If at the time of any offering made under this prospectus a member of FINRA participati

There can be no assurance that we will sell all or any of the shares of common stock offe

Agents, dealers and underwriters may be entitled to indemnification by us and the selling

The specific terms of the lock-up provisions in respect of any given offering will be desc

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Unless we state otherwise in the applicable prospectus supplement, the validity of the sh

Ernst & Young LLP, independent registered public accounting firm, has audited our con

This prospectus is a part of the registration statement on Form S-3 we filed with the SEC

The rules of the SEC allow us to incorporate information into this prospectus by referenc

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Any statement made in this prospectus or in a document incorporated by reference into t

You can obtain any of the filings incorporated by reference into this prospectus through

Catalent, Inc.

14 Schoolhouse Road

Somerset, NJ 08873

Attn: Corporate Secretary

Tel.: (732) 537-6200

Email: CorpSec@catalent.com

Our reports and documents incorporated by reference into this prospectus may also be fo

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